

367.801 Definitions for KRS 367.801 to 367.819 and KRS 367.990.

As used in KRS 367.801 to 367.819 and KRS 367.990, unless the context requires otherwise:

- (1) "Division" means Division of Consumer Protection of the Office of the Attorney General.
- (2) "Person" means natural persons, corporations, trusts, partnerships, incorporated or unincorporated associations, or any other legal entity.
- (3) "Offeror" means a person who is engaged in the business of selling business opportunities including any subsidiary business which affiliates with the offeror for goods or services or locations.
- (4) "Consumer/investor" means a person who has purchased or is solicited for the purchase of a business opportunity.
- (5) "Business opportunity" means the sale or lease, or offer to sell or lease, of any products, equipment, supplies, or services for the purpose of enabling the consumer investor to start a business when:
 - (a) The offeror obtains an initial required consideration of not less than five hundred dollars (\$500) from the purchase or lease of the business opportunity or inventory associated therewith; and
 - (b) The offeror has represented, directly or indirectly, that the consumer/investor will earn, can earn, or is likely to earn a gross or net profit in excess of the initial required investment paid by the consumer/investor for the business opportunity; or
 - (c)
 1. The offeror has represented that he has knowledge of the relevant market and that the market demand will enable the consumer/investor to earn a profit from the business opportunity; or
 2. The offeror has represented that locations will be provided or assistance will be given directly or indirectly to the consumer/investor in finding locations for the use or operation of the business opportunity including, but not limited to, supplying the consumer/investor with names of locator companies, contracting with the consumer/investor to provide assistance with or supply names of or collect a fee on behalf of or for a locator company; or
 3. The offeror has represented that there is a guaranteed market or that the offeror will buy back or is likely to buy back any product made, manufactured, produced, fabricated, grown, or bred by the consumer/investor using, in whole or in part, the products, supplies, equipment, or services which were initially sold or offered for sale to the consumer/investor by the offeror.

Effective: July 15, 1994.

History: Amended 1994 Ky. Acts ch. 165, sec. 25; and ch. 329, sec. 1, effective July 15, 1994. -- Created 1978 Ky. Acts ch. 315, sec. 1, effective June 17, 1978.

Legislative Research Commission Note (7/15/94). This section was amended by 1994 Ky. Acts chs. 165 and 329 which are in conflict. Under KRS 446.250, Acts ch. 329, which was last enacted by the General Assembly, prevails.